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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

MAR 17 2005

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
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DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY, LLC, FOR
AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
WASTEWATER SERVICE.

DOCKET NO. SW-03575A-04-0767

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY, LLC, FOR
AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR WATER
SERVICE.

DOCKET NO. W-03576A-04-0767

AMENDED PROCEDURAL ORDER

BY THE COMMISSION:

On October 25, 2004, Palo Verde Utilities Company, LLC ("Palo Verde") and Santa Cruz Water Company, LLC ("Santa Cruz") (collectively "Applicants") filed with the Arizona Corporation Commission ("Commission") an application for an extension of their Certificates of Convenience and Necessity to provide wastewater and water service, respectively.

On November 12, 2004, the Applicants filed an Amendment to the Application.

On November 12, 2004, the Commission's Utilities Division Staff ("Staff") filed a letter of insufficiency.

On December 14, 2004, the Applicants filed information in response to the letter of insufficiency.

On February 14, 2005, the Applicants filed a Supplement to Application.

On February 16, 2005, Staff filed a letter of sufficiency.

By Procedural Order issued February 18, 2005, a hearing was set for May 23, 2005 and the Applicants were directed to publish and mail notice of the application and hearing date by no later than March 21, 2005.

On March 15, 2005, the Applicants filed a Request for Extension of Publication and Mailing

1 Notice dates.

2 On March 16, 2005, the Applicants filed a Motion for Modification of Procedural Order
3 ("Motion") and requested an expedited ruling on the Motion. The Applicants state that they have
4 consulted with Staff about expediting the hearing date and other procedural dates so that the
5 Commission could consider the application at its scheduled May 3, 2005 Open Meeting. Palo Verde
6 and Santa Cruz claim that they represented to developers of the property that the CC&N was likely to
7 be issued by May 2005 "based on the Commission's CC&N extension timeframes¹." The applicants
8 state that a delay beyond May 2005 would impact the developers' financing of projects in the
9 proposed extension area, particularly given the unprecedented growth in the vicinity of the extension
10 area. The Applicants indicate that Staff has agreed to the following expedited procedural schedule:

11	Publication/Mailing of Notice	March 23, 2005
12	Filing of Staff Report	March 28, 2005
13	Comments on Staff Report	April 6, 2005
14	Intervention Deadline	April 12, 2005
14	Hearing	April 13, 2005

15 According to the Motion, the Applicants plan to order an overnight transcript of the hearing and will
16 waive the ten-day period for exceptions to allow a Recommended Opinion and Order to be issued
17 closer to the May 3, 2005 Open Meeting date.

18 During a May 16, 2005 teleconference between the Applicants, Staff, and the Administrative
19 Law Judge, counsel for Palo Verde and Santa Cruz indicated that expedited treatment of the
20 application was necessary because developers in the proposed extension area had constructed homes
21 that were ready to be occupied by customers. In order to try to accommodate the needs of the
22 developers to serve their customers, the Applicants' Motion will be granted and the proposed
23 procedural schedule set forth above will be adopted. However, this allowance of expedited treatment
24 should not be considered a precedent that would encourage companies seeking CC&N extensions to
25 make unsupported representations to developers as to when an extension will be approved. Further,

26 ¹ It should be noted that the Applicants twice filed supplemental information in response to Staff's determination that the
27 application was not sufficient. Staff filed its Sufficiency Letter on February 16, 2005, two days after the Applicants'
28 Supplement to Application was filed on February 14, 2005, and the Hearing Division issued a Procedural Order two days
later, on February 18, 2005, ordering mailing/publication of notice and scheduling a hearing date. Thus, any "delays" that
have occurred in processing the application are attributable solely to the Applicants' failure to submit necessary
information. Neither Staff nor the Commission are responsible for representations made by the Applicants to developers
regarding the expected timeframes for obtaining a CC&N extension.

1 granting the Applicants' Motion to expedite the procedural schedule should not be taken as an
 2 assurance that a Recommended Opinion and Order will be issued in time for the Commission to
 3 consider this matter at the May 3, 2005 Open Meeting, or that the Commission will place the matter
 4 on the May 3, 2005 Open Meeting agenda.

5 IT IS THEREFORE ORDERED that the hearing in the above-captioned matter shall be
 6 rescheduled to commence on **April 13, 2005, at 10:00 a.m.**, or as soon thereafter as is practical, at
 7 the Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007.

8 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
 9 except that all motions to intervene must be filed on or before April 12, 2005.

10 IT IS FURTHER ORDERED that objections to any motions to intervene must be filed within
 11 three business days of filing or will be considered at the April 13, 2005 hearing if time does not
 12 permit the filing of a written objection prior to the hearing date.

13 IT IS FURTHER ORDERED that the Applicants shall provide public notice of the hearing in
 14 this matter, in the following form and style:

15 **PUBLIC NOTICE OF HEARING ON THE**
 16 **APPLICATION OF PALO VERDE UTILITIES COMPANY, LLC, AND SANTA CRUZ**
 17 **WATER COMPANY, LLC, FOR AN EXTENSION OF THEIR CERTIFICATES OF**
 18 **CONVENIENCE AND NECESSITY**
 19 **(SW-03575A-04-0767 et al.)**

20 On October 25, 2004, Palo Verde Utilities Company, LLC, and Santa Cruz Water
 21 Company, LLC ("Applicants"), filed an application with the Arizona Corporation
 22 Commission ("Commission") for an extension of their Certificates of Convenience and
 23 Necessity ("CC&N") to provide wastewater and water service in Pinal County, Arizona.
 If the applications are granted, the Applicants would be the exclusive provider of
 wastewater and water to the proposed area, and would be required by the Commission to
 provide service under rates and charges and terms and conditions established by the
 Commission. The application is available for inspection during regular business hours at
 the offices of the Commission in Phoenix, at 1200 West Washington Street, Phoenix,
 Arizona, and at the offices of the Company, [insert address].

24 The Commission will hold a hearing on this matter beginning on **April 13, 2005, at**
 25 **10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix,
 Arizona. Public comment will be taken on the first day of the hearing.

26 The law provides for an open public hearing at which, under appropriate circumstances,
 27 interested parties may intervene. Intervention shall be permitted to any person entitled by
 28 law to intervene and having a direct and substantial interest in the matter. Persons
 desiring to intervene must file a written motion to intervene with the Commission, which
 motion should be sent to the Applicants or its counsel and to all parties of record, and
 which, at the minimum, shall contain the following:

- 1 1. The name, address, and telephone number of the proposed intervenor and
2 of any party upon whom service of documents is to be made if different
 than the intervenor.
- 3 2. A short statement of the proposed intervenor's interest in the proceeding
4 (e.g., a customer of the Applicants, a shareholder of the Applicants, etc.).
- 5 3. A statement certifying that a copy of the motion to intervene has been
6 mailed to the Applicants or their counsel and to all parties of record in the
 case.

7 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that
8 all motions to intervene must be filed on or before April 12, 2005. The granting of
9 intervention, among other things, entitles a party to present sworn evidence at hearing
10 and to cross-examine other witnesses. Failure to intervene will not preclude any potential
11 customer from appearing at the hearing and making a statement on such person's own
12 behalf. You will not, however, receive any further notice of the proceeding unless
13 requested by you.

14 The Commission does not discriminate on the basis of disability in admission to its public
15 meetings. Persons with a disability may request a reasonable accommodation such as a
16 sign language interpreter, as well as request this document in an alternative format, by
17 contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail
18 Lhogan@admin.cc.state.az.us. Requests should be made as early as possible to allow
19 time to arrange the accommodation.

20 IT IS FURTHER ORDERED that the Applicants shall publish notice of the application in a
21 newspaper of general circulation in the proposed extension areas and shall mail to each property
22 owner in the requested extension areas a copy of the above notice by March 23, 2005.

23 IT IS FURTHER ORDERED that the Applicants shall file certification of publication/mailing
24 as soon as practical after the publication/mailing has been completed but not later than April 12,
25 2005.

26 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing of same,
27 notwithstanding the failure of an individual to read or receive the notice.

28 IT IS FURTHER ORDERED that Staff shall file a Staff Report by March 28, 2005.

29 IT IS FURTHER ORDERED that the Applicants shall file any objections to the Staff Report
30 by April 6, 2005.

31 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
32 Communications) applies to this proceeding as the matter is now set for public hearing.

33 ...

34 ...

35 ...

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 17th day of March, 2005

6
7 

8 DWIGHT D. NODES
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 17 day of March, 2005 to:

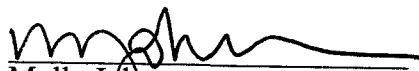
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1200 West Washington Street
Phoenix, Arizona 85007

23 ARIZONA REPORTING SERVICE, INC.
24 2627 N. Third Street, Suite Three
25 Phoenix, Arizona 85004-1104

26 By:

27 
28 Molly Johnson
Secretary to Dwight D. Nodes